

Not for Release in the United States



25 November 2015

The Companies Officer  
Australian Securities Exchange Ltd  
2 The Esplanade  
Perth WA 6000

Dear Sir or Madam

### Fortescue completes US\$750 million debt tender

Fortescue Metals Group Ltd (ASX:FMG) has accepted offers to repay US\$750 million of principal of the 2019 8.25% and 2022 6.875% Senior Unsecured Notes (Notes) via a tender.

Details of the tender results are summarised in the table below:

| Title of Notes     | Principal Purchased    | Total Consideration    |
|--------------------|------------------------|------------------------|
| 2019, 8.25% Notes  | US\$311 million        | US\$280 million        |
| 2022, 6.875% Notes | US\$439 million        | US\$338 million        |
| <b>Total</b>       | <b>US\$750 million</b> | <b>US\$618 million</b> |

The purchase of the Notes, which will settle on 30 November 2015, has resulted in the Company recognising a US\$124 million pre-tax gain and a saving of approximately US\$56 million in interest annually.

The total principal value of debt repurchased during FY16 is now US\$1,134 million which has generated, in aggregate, pre-tax gains of US\$192 million and annualised interest savings of US\$88 million.

Chief Executive Officer Nev Power said, "We continue to focus on activities which strengthen Fortescue's competitive position in the global iron ore market. Our operational performance and ongoing commitment to savings has enabled Fortescue to continue its debt repayment program whilst maintaining strong cash balances."

Chief Financial Officer Stephen Pearce noted that "This process has been well received by the US capital markets who have continued to strongly support Fortescue. Moving forward we remain committed to utilising our accumulated cash balances for further debt reduction."

As the aggregate principal of Notes tendered exceeded US\$750 million as of 24 November 2015, Notes tendered after this date will not be purchased pursuant to this tender offer.

The attached press release is required for U.S. regulatory purposes and sets out details of the tender offer. This ASX release does not constitute an offer to participate in the tender offer. The tender offer was made pursuant to an offer to purchase and a related letter of transmittal.

Yours sincerely  
**Fortescue Metals Group Ltd**

**Ian Wells**  
Company Secretary

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*This announcement has been prepared for use in Australia and may not be released in the United States. This announcement does not constitute an offer of securities for sale in the United States.*

The New Force in Iron Ore  
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## MEDIA RELEASE



### FORTESCUE ANNOUNCES RESULTS OF OFFER TO PURCHASE FOR CASH CERTAIN UNSECURED DEBT SECURITIES AND DETERMINATION OF TOTAL CONSIDERATION

**PERTH, 25 NOVEMBER 2015:** FMG Resources (August 2006) Pty Ltd (the “Company”), a direct wholly-owned subsidiary of Fortescue Metals Group Ltd (“FMG”) (ASX: FMG), announced today that as of 5:00 p.m., New York time, on November 24, 2015 (the “Early Participation Date”), pursuant to its cash tender offer (the “Tender Offer”), the Company has received tenders of approximately US\$1,278.6 million aggregate principal amount of the notes listed in the table below (collectively, the “Notes”) and accepted US\$750.0 million aggregate principal amount of the Notes for aggregate total consideration (excluding accrued interest payable) of approximately US\$618.0 million. The Company has accepted for purchase the principal amounts of tendered Notes of each series set forth in the table below and will pay the applicable total consideration for such tendered Notes set forth in the table below, which total consideration was determined in accordance with the terms of the Tender Offer based on the principal amounts of Notes tendered and the bid premiums at which such tenders were made.

| Title of Securities          | CUSIP No.                                 | ISIN  | Aggregate Principal Amount Outstanding <sup>(1)</sup> | Aggregate Principal Amount Tendered <sup>(1)(2)</sup> | Aggregate Principal Amount Accepted for Purchase <sup>(1)(3)</sup> | Percent of Aggregate Principal Amount Outstanding Accepted for Purchase | Total Consideration <sup>(4)(5)</sup> |
|------------------------------|---|---|---|---|--|---|---------------------------------------|
| 8.25% Senior Notes due 2019  | 144A:<br>30251GAH0<br>Reg S:<br>Q3919KAD3 | 144A:<br>US30251GAH02<br>Reg S:<br>USQ3919KAD39 | US\$888.130   | US\$600.623   | US\$311.356  | 35.06%  | US\$900.00                            |
| 6.875% Senior Notes due 2022 | 144A:<br>30251GAN7<br>Reg S:<br>Q3919KAF8 | 144A:<br>US30251GAN79<br>Reg S:<br>USQ3919KAF86 | US\$916.823   | US\$677.958   | US\$438.644  | 47.84%  | US\$770.00                            |

(1) In millions.

(2) As of the Early Participation Date.

(3) As of the Early Acceptance Date.

(4) Per US\$1,000 principal amount of Notes accepted for purchase by the Company.

(5) Includes the US\$30.00 Early Participation Amount.

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The Tender Offer is being funded with cash on hand.

The Tender Offer is described in the Offer to Purchase, dated November 10, 2015 (the "Offer to Purchase"), and the related Letter of Transmittal, each previously sent to holders of the Notes. As set forth in the Offer to Purchase, holders of Notes who validly tendered and did not withdraw their Notes on or prior to the Early Participation Date, and whose Notes are accepted for purchase, will be entitled to receive the Total Consideration, which includes an early participation amount of US\$30.00 per US\$1,000 principal amount of Notes (the "Early Participation Amount"). Accrued and unpaid interest will be paid on all Notes validly tendered (and not validly withdrawn) and accepted for purchase from the applicable last interest payment date to, but not including, the date on which the Notes are purchased.

The Company has exercised its right to early accept for purchase Notes validly tendered on or prior to the Early Participation Date at a bid price that results in a bid premium less than or equal to US\$20.00 (the "Clearing Premium"), as described in the Offer to Purchase. Since the Notes validly tendered at a bid price that results in a bid premium equal to or less than the Clearing Premium would result in the purchase of Notes with an aggregate principal amount in excess of the tender cap of US\$750.0 million (the "Tender Cap"), the Company has first accepted for purchase all Notes validly tendered (and not validly withdrawn) on or prior to the Early Participation Date with a bid price that results in a bid premium less than the Clearing Premium and, second, the Company has accepted for purchase Notes validly tendered (and not validly withdrawn) on or prior to the Early Participation Date with a bid price that results in a bid premium equal to the Clearing Premium on a prorated basis across both series of Notes. The Company has been advised by the Depository (as set forth below) for the Tender Offer that the applicable proration factor for Notes validly tendered and not validly withdrawn at a bid price that results in a bid premium equal to the Clearing Premium will be approximately 62.10%. Notes validly tendered (and not validly withdrawn) at a bid price that results in bid premium in excess of the Clearing Premium will not be accepted for purchase pursuant to the Tender Offer and such Notes will be returned to holders. Settlement of Notes accepted for purchase is expected to occur on November 30, 2015.

The Tender Offer is scheduled to expire at 11:59 p.m., New York City time, on December 9, 2015, unless extended or earlier terminated (such time, the "Expiration Date"). Since the Tender Cap was reached by the Early Participation Date, Notes tendered after the Early Participation Date during the period remaining until the Expiration Date will not be purchased pursuant to the Tender Offer.

The Company has retained J.P. Morgan Securities LLC ("J.P. Morgan") to act as Dealer Manager, Ipreo LLC ("Ipreo") to act as Information Agent and Continental Stock Transfer & Trust Company to act as Depository, in each case in connection with the Tender Offer.

For additional information regarding the terms of the Tender Offer, please contact J.P. Morgan at (866) 834-4666 (toll-free) or (212) 834-2494 (collect). Requests for documents and questions regarding the tendering of Notes may be directed to Ipreo by telephone at (888) 593-9546 (toll-free) or (212) 849-3800 or by email at [tenderoffer@ipreo.com](mailto:tenderoffer@ipreo.com).

This news release does not constitute an offer to participate in the Tender Offer. The Tender Offer is being made pursuant to the Offer to Purchase and the Letter of Transmittal, copies of which have been delivered to holders of the Notes, and which set forth the complete terms and conditions of the Tender Offer. Holders are urged to read the Offer to Purchase and the Letter of Transmittal carefully before making any decision with respect to their Notes. The Tender Offer is not being made to, nor will the Company accept tenders of Notes from, holders in any jurisdiction in which it is unlawful to

make such an offer or solicitation. None of FMG, the Company, the Dealer Manager, the Information Agent, the Depositary or the trustee for the Notes makes any recommendation as to whether holders should tender their Notes in response to the Tender Offer or at what bid prices holders should tender their Notes.

Certain statements in this press release, including those describing the completion of the Tender Offer, constitute forward-looking statements. These statements are not historical facts but instead represent only FMG's belief regarding future events, many of which, by their nature, are inherently uncertain and outside FMG's control. It is possible that actual results will differ, possibly materially, from the anticipated results indicated in these statements.

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